

RETIREMENT

# CRUNCH?

## HUMBUG!

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Much ink has been spilled in newspapers and magazines across the nation warning of the coming wave of baby boomer retirements. Some writers talk about this transition of the nation's workforce in almost apocalyptic terms. Others, perhaps more in tune with current trends, agree that this transition will have costs—loss of institutional knowledge, possible recruitment hardships for positions not in vogue with younger workers, etc.—but as with other ups and downs in the nation's economic history, this wave shall also pass and the economy will keep chugging along. What will the true effect be? Well, it will likely be somewhere between those two extremes, depending on where you are in the country and the industry in which you happen to work.

For Utah as a whole, this transition is likely to occur with barely a whisper. With one of the highest fertility rates in the nation and the



youngest workforce, the state will have plenty of young workers to fill positions vacated by retiring baby boomers. To put that in perspective with numbers, in Utah in 2005 only 10 percent of workers were between the ages of 55 and 64. On top of that, only an additional 3 percent were older than the age of 65. Without question, in terms of the overall state labor market, there will be plenty of labor to go around.

The picture, however, gets a little—just a little—murkier when we look at the same data at the industry level. There are 110 industries in Utah where the 55-to 64-year-old workers have a higher share of employment than the statewide average of 10 percent. Admittedly, there is little employment

in many of these industries, but some of them are very important to the state. Of those, the most glaring example is education. Workers aged 55 years and older make up: 23 percent of elementary and secondary school employment; 22.3 percent of college, university, and professional school employment; and 25.1 percent of junior college employment (ordered in number of workers). Another sector affected is public administration, where five industries with significant numbers of jobs have workers over the age of 55 making up between 18.3 and 21.6 percent of total employment. Both of these industries are important, though not in vogue with many younger workers due to lagging wages and a lack, unfortunately, of social prestige. These are two industry areas

that the state will likely need to focus on in the coming transition.

When we peer a little closer into the data we see that geography also matters in terms of worker age distribution. Rural areas tend to have larger shares of older workers than urban areas—although there are some notable exceptions like Uintah and Iron counties. For the state's rural counties this transition of the workforce may be more painful. Urban areas, on the other hand, with their ability to attract younger workers from rural areas and migrants from outside the state, will likely fare much better. The Baby Boomers will retire at some point—we hope, for their sakes!—but Utah's economy will surely adapt. 🕒

### Age Distribution by IMPACTED INDUSTRIES (Utah, 2005 Annual Average)

Industry	Age 55-64	Age 65-99	Combined
	Percent of Stable Workers	Percent of Stable Workers	Percent of Stable Workers
All industry groups	9.8%	2.6%	12.4%
Urban Transit Systems	23.5%	3.2%	26.7%
Junior Colleges	19.6%	5.5%	25.1%
Elementary and Secondary Schools	19.6%	3.4%	23.0%
Colleges, Universities, and Professional Schools	18.2%	4.1%	22.3%
Administration of Human Resource Programs	18.8%	2.8%	21.6%
Executive, Legislative, and Other General Government Support	15.3%	4.8%	20.1%
Administration of Economic Programs	16.7%	2.8%	19.5%
Administration of Environmental Quality Programs	16.7%	2.7%	19.4%
Justice, Public Order, and Safety Activities	15.1%	3.2%	18.3%
Electric Power Generation, Transmission and Distribution	17.2%	0.8%	18.0%
Aerospace Product and Parts Manufacturing	14.6%	1.1%	15.7%

Source: LED Data, U.S. Census Bureau

### AGE DISTRIBUTION of Workers (2005 Annual Average)

County	Age 55-64		Age 65-99	
	Percent of Stable Workers	Rank	Percent of Stable Workers	Rank
Piute	17.4%	1	4.1%	5
Daggett	15.1%	2	8.5%	1
Kane	14.6%	3	4.3%	4
Salt Lake	10.1%	20	2.5%	23
Iron	10.0%	21	2.7%	19
Uintah	10.0%	22	2.5%	24
Utah	8.7%	27	2.2%	27
Cache	8.6%	28	2.1%	28
Summit	8.2%	29	2.3%	26
Statewide	10%		3%	

Source: LED Data, U.S. Census Bureau

